NAVSEA
NAVAL SEA SYSTEMS COMMAND
Surface Warfare Center

Commercial Activities Lessons Learned Meeting

Mrs. Mary E. Lacey
NSWC Technical Director
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How Are We Doing?
(Studies Announced From FY 99 – FY 02)

- **Positions Announced**

• Dahlgren	191
• Carderock	289
• Indian Head	394
• Crane	47
• Port Hueneme	269
• Corona	111
Total	**1,301**

Number Of Studies

Complete	6
Cancelled	3
On-Going	16
Total	**25**

- **Functions Announced**
  - ADP Support
  - Base Support
  - Admin Support
  - Support Services
  - Acceptance Testing
  - Armament
  - Supply
  - Technical Services
  - Budget & Financial
  - Motor Vehicles
  - Engineering Services
  - PM Logistics
  - Acquisition Equipment & Weapons Systems
  - Miscellaneous

Note: Cancelled Studies Approved By The Navy

Good News/Bad News

- **The good news**: We have retained all functions in-house for those studies that we have completed.

- **The bad news**:
  - We are taking too long to complete some of our studies (3-4 years).
    - This increases the impact on organizations and employees affected by the study.
  - We are spending too much money in conducting the studies.
    - Some studies have exceeded $10,000 per person studied.
  - The government isn't receiving offers from the private sector
    - Is the taxpayer getting the best deal?

There is a need to share what we've learned to minimize the burden on our employees and to reduce the time/cost

A Look At Where We're Headed

- Office Of Management & Budget published a revised A-76 Circular on 14 November 2002
  - OMB now reviewing approximately 700 comments provided by Agencies

- Secretary of Defense Memo of 15 Nov 02 Transformation Through Base Realignment and Closure states:
  - Competitive Sourcing conducted under the provisions of Office Of Management & Budget Circular A-76 may proceed independently

- Secretary of the Navy Memo of 25 Nov 02 Base Realignment & Closure 2005
  - Maintains SECDEFs position that CA Studies may proceed during the BRAC process

- Management Initiative Decision 907 Signed out on 20 Dec 02 by the Deputy Secretary of Defense.
  - DoD's Commercial Activities and Competitive Sourcing Program.
    - Directs the Navy to study an additional 2,000 FTEs in FY 2004.

More Studies Are Likely!

The OMB Rules Are Changing

Up to 48 months to complete the study

OLD WAY OF DOING BUSINESS

- Packaging Studies
- Public Announcement
- HR Actions
- Acquisition Actions
- PWS/QASP Development
- Govt. Management Plan
- In-House Cost Estimate
- Solicitation
- Negotiation
- Independent Review
- Cost Comparison
- Administrative Appeal Process
- MEO/Contract Implementation
- Post A-76 Assessment

Proposed 12 months to complete the study

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Summary

- **The rule changes don’t eliminate the due diligence… but they sure speed up the studies.**

- **We must do a better job at sharing the good things that we do to reduce the impact on our employees, our most valuable asset.**

Perspectives

- CA Team Leader
- Functional Manager
- Contracts
- Labor Relations
- Human Resources
- Legal
- Business Manager